GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:6
ANSWERED ON:18.07.2016
Hydrocarbon Exploration Licencing Policy
Khadse Smt. Raksha Nikhil

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the salient features of the current Hydrocarbon Exploration Licencing Policy (HELP) and the deficiencies noticed in its implementation;
(b) whether the Government has approved new HELP to streamline the Hydrocarbon acreage under a new fiscal and contractual regime to explore and produce conventional oil and gas and unconventional hydrocarbons as Coal Bed Methane and Shale oil and gas under a single licencing framework;
(c) if so, the main highlight of new Policy and the time by which the said policy is likely to be put into force; and
(d) the benefits likely to accrue to the exploration and production by Public Sector and private companies after implementation of HELP?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) to (d) : A statement is laid on the Table of the House.
STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (d) OF THE LOK SABHA STARRED QUESTION NO. 6 BY SHRIMATI RAKSHATAI KHADSE TO BE ANSWERED ON 18.07.2016 REGARDING HYDROCARBON EXPLORATION LICENCING POLICY
(a) to (c): Over the years, there has been a shift in the E&P policy, from nomination acreage to competitive bidding. The Government of India designed the New Exploration and Licensing Policy (NELP) and Coal Bed Methane (CBM) Policy in late 90s to step up level of investment in Exploration within a framework of progressive de-regulation. Based on the experience of implementation of earlier policies and contractual regimes, Government of India approved a new exploration and licensing policy named 'Hydrocarbon Exploration and Licensing Policy' (HELP). The salient features of HELP are given below:
? Single license for conventional and non-conventional hydrocarbons - This license will enable the contractor to explore conventional and unconventional oil and gas resources including CBM, shale gas/oil, tight gas, gas hydrates and any other resource to be identified in future which fall within the definition of "Petroleum" and "Natural Gas" under PNG Rules, 1959.
? Open Acreage Licensing Policy
? Revenue Sharing Contract
? Graded royalty rates for offshore area
? The contractor will be free to sell the crude oil exclusively in domestic market through transparent bidding process on arms length basis.
? The contractor will have freedom for pricing and marketing of gas produced from these blocks on arms length basis.
? There is no levy of Cess on crude oil.
Ministry has initiated the work on the drafting the Notice Inviting Offer, Bid Evaluation Criteria and Model Revenue Sharing Contract.
(d) : The easy to administer fiscal and contractual model coupled with uniform license, open acreage, favourable royalty regime, pricing and marketing freedom, etc. would incentivise the Public and Private sector to increase exploration and production activities.
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